



# IXM: **Responsible Sourcing Policy**

## Responsible Sourcing Policy

### > OUR COMMITMENT

We are committed to responsible business practices in our supply chain<sup>1</sup>, which includes responsible sourcing of minerals to continuously carry out appropriate due diligence in the mineral supply chain. Our responsible sourcing of minerals approach is in line with the OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("OECD Guidance"), the UN Guiding Principles on Business and Human Rights ("UNGP") and applicable legal requirements including the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and metals from Conflict-Affected Areas and Child Labour ("DDTrO").

We are also committed to monitoring social, health & safety, and environmental risks when conducting due diligence in our mineral supply chain.

This Policy is consistent with our commitments to responsible business conduct and to respecting human rights as outlined in CMOC's Group Code of Business Conduct and other relevant policies.

### > APPLICABILITY AND EXPECTATIONS OF RELEVANT PARTIES

This Policy **applies to all our employees globally**.

We are committed to fostering long-term engagement with our suppliers and expect them to share the same commitments for responsible business practices. The **IXM Supplier Code of Conduct** outlines general requirements and expectations for suppliers. It is legally binding and shared with all suppliers. Following a risk-based approach, we organise capacity-building initiatives on our responsible sourcing requirements.

To support transparent and open communication on priorities concerning responsible sourcing, we actively engage with relevant stakeholders and organisations. Most importantly, we make use of a [Raising Concerns](#) tool, which serves as a grievance and remediation mechanism for our internal and external stakeholders, enabling them to confidentially report any concerns relating to IXM's responsible sourcing practices without fear of retaliation.

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<sup>1</sup> The term supply chain refers to the system of all the activities, organisations, actors, technology, information, resources, and services involved in moving the mineral from the extraction site downstream to its incorporation in the final product for end consumers. (Source: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas).

### **RESPONSIBLE SOURCING PRINCIPLES**

#### **Human Rights**

Recognising the risks of adverse human rights impacts and conflict associated with the extraction, trade, handling and export of minerals from conflict-affected and high-risk areas, we will neither tolerate nor in any way assist with, contribute to, facilitate the commission by any party of or profit from any forms of human rights violations or abuses in its supply chain. This includes:

- any forms of torture, cruel, inhuman and degrading treatment;
- any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;
- child labour <sup>2</sup>
- other gross human rights violations and abuses, such as globally widespread sexualised violence;
- war crimes or other violations of international humanitarian law, crimes against humanity or genocide.

We will immediately suspend or terminate relationship with a supplier where we identify a reasonable risk that the supplier is committing or sourcing from or linked to any party committing serious human rights violations or abuses listed above.

#### **Security forces and non-state armed groups**

We will not tolerate any direct or indirect support to public or private security forces, non-state armed groups or their affiliates, who illegally control mine sites, transportation routes and upstream actors, or who are involved in illegal taxing or extortion in connection with the extraction, transport, trade, handling or export of minerals in our supply chain. If any of our suppliers contract public or private security forces, we expect our suppliers to comply with the Voluntary Principles on Security and Human Rights<sup>3</sup>.

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<sup>2</sup> As defined in the ILO Convention (No. 182) in 1999 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour and the ILO Convention (No.138) in 1973 concerning the Minimum Age for admission to employment.

<sup>3</sup> The Voluntary Principles on security and human rights, developed in 2000 jointly by governments of the United States and the United Kingdom, companies and non-governmental organisations as part of a dialogue on security and human rights.

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If we identify any of the above risks in our supply chain, we will implement an appropriate risk mitigation strategy which may include suspending or discontinuing trade with the affected supplier depending on the severity of risks identified and mitigation actions taken.

### **Financial crime and transparency**

We will not offer, promise, give, accept or receive or solicit a bribe, assist in any forms of bribery, and other actions violating any local and applicable anti-corruption laws. We will resist the solicitation of bribes to conceal, disguise or misrepresent the origin of minerals or payments to governments and will work towards eliminating money laundering risks.

We will ensure that all taxes, fees and royalties related to mineral trade that are due by us are paid to the governments and we expect the same of our suppliers regarding mineral extraction, trade and export. Furthermore, we will ensure that information on such payments is disclosed in line with international standards and good practice frameworks relevant to our trading operations.

We will engage with suppliers and other relevant stakeholders to prevent or mitigate financial crime risks and promote transparency in our supply chain.

For further information on our commitment to ethical business conduct, we refer to **CMOC's Group Code of Business Conduct** and other relevant policies.

### **Environment, Health & Safety**

We will not tolerate abuses or violations of applicable national and international environmental, labour, and health & safety laws and regulations in our supply chain.

If we identify any of the above risks in our supply chain, and depending on the severity of the risks identified, we will engage with our suppliers and other relevant stakeholders to prevent or mitigate these risks. We may decide to suspend or discontinue trade after failed attempts of mitigation.

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### **RESPONSIBLE SOURCING MANAGEMENT SYSTEM**

We have established a Responsible Sourcing Management System ("RSMS") and an overarching Responsible Sourcing Procedure to manage risks as defined in the Responsible Sourcing Principles laid out in this policy in our supply chain. Based on this, we:

#### **Establish strong systems of responsible sourcing management;**

This includes:

- the publicly available IXM Responsible Sourcing Policy and the IXM Supplier Code of Conduct, specifying our responsible sourcing commitments as well as requirements and expectations from suppliers;
- internal management structure to support responsible sourcing and supply chain due diligence and efficiently communicate critical information to internal and external stakeholders;
- Internal material control and a system of controls and transparency over the supply chain, including the identification of upstream suppliers where applicable; and
- our grievance mechanism that any affected stakeholder can use to raise concerns regarding the circumstances of extraction, trade, handling and export of minerals in IXM's supply chain more broadly.

#### **Implement a process to identify and assess OECD Annex II risks in our mineral supply chain;**

This includes conducting an ongoing risk assessment and incident monitoring in our supply chain;

#### **Design and implement measures to respond to any identified risks;**

This includes:

- reporting on the results of Responsible Sourcing Principles risk assessment in our supply chain to senior management;
- developing measurable risk mitigation plans in consultation with relevant stakeholders where necessary;
- monitoring processes for the implementation of risk mitigation actions; and
- reporting the results of risk management to senior management.

#### **Commit to report publicly on our responsible sourcing efforts;**

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Disclose information on responsible sourcing as part of our annual ESG Report and other means, with due regard to business confidentiality and other competitive concerns. The reporting includes the following elements:

- relevant responsible sourcing and supply chain due diligence policies and practices;
- grievances received and addressed;
- the results of supply chain risk assessments; and
- risk mitigation activities.

### **Commit to implementing measures designed to prevent and address adverse impacts on human rights in mineral supply chains;**

Take steps to prevent and provide for, or cooperate in, processes to enable appropriate remedy in the event where we have potentially, caused or contributed to adverse impacts on human rights. This includes our commitments set out in our Child Labour Prevention and Remediation Program.

### **ACCOUNTABILITY**

This Policy is published on our website and communicated internally and externally as applicable. Our HoCIR (Head of Compliance, Insurance and Risk) has the overall responsibility for the Policy implementation.

We will track the performance and review the effectiveness of the RSMS, supporting the implementation of the Policy, and make necessary updates to the management system at least annually or where there is a significant change of circumstances to ensure continuous improvement.

### **EFFECTIVENESS AND INTERPRETATION**

This Policy shall come into force on the date of signing by IXM CEO. This Policy shall be interpreted by the Responsible Business department of IXM.

### **REPORTING VIOLATIONS OF THIS POLICY**

All our stakeholders are encouraged to report any grievances linked to this Policy or suspected violations of it via IXM [Raising Concerns](#) tool. The complaints can be made anonymously and we will ensure protection of the reporting person from any form of retaliation.